Growing Industial Sickness

372. SHRI SARADA MOHANTY: Will the PRIME MINISTER be pleased to state:

(a) the reasons for the growing industrial sickness and industrial pollution in the country;

(b) the policy of Government with regard to the revival of the sick units and also the check pollution; and

(c) the details of steps taken in that direction during the last five years in different States?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF INDUSTRIAL DEVELOPMENT) AND MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF HEAVY INDUSTRY) (SHRIMATI KRISHNA SAHI): (a) The major reasons for the growing industrial sickness in the country as reported by Reserve Bank of India and industrial pollution as indicated by the Ministry of Environment and Forests are enumerated below:—

I. *Industrial Sickness*

(i) Internal factors comprising shortcomings in project management and project appraisal areas.

(ii) External factors like, non-availability of raw-materials, power shortage, financial bottle necks, increase in over hand cost, fall in demand/recession, etc.

II. *Industrial Pollution*

(i) Over crowding of industrial units in certain locations.

(ii) Non-installation of adequate pollution control facilities by some industries.

(iii) Non-compliance of the prescribed environmental standards by several industries.

(b) and (c) Government has issued directions to all the State Pollution Control Boards for ensuring compliance of the prescribed environmental standards by the large and medium scale industries in the identified 17 categories of highly polluting industries within a given timeframe. The Boards would review the status of the pollution control on a case to case basis in these units and take necessary legal action against the industries which are not complying with the prescribed standards.

Government has also taken steps for revival of sick industrial units. Some of the important steps are given in the Statement.

STATEMENT

Steps taken by Government for revival of sick industrial units.

The Government has enacted a comprehensive legislation namely The Sick Industrial Companies (Special Provisions) Act, 1985'. A quasi-judicial body designated as 'The Board for Industrial and Financial Reconstruction (BIFR)' has been set up under the Act to deal with the problems of the sick industrial companies in an effective manner, which has become operational with effect from the 15th May, 1987.

(2) The Reserve Bank of India has issued guidelines to the banks for strengthening the monitoring system and for arresting industrial sickness at the incipient stage so that corrective measures are taken in time

(3) The banks have also been directed by the Reserve Bank of India to formulate rehabilitation packages for the revival of potentially viable units. The banks and financial institutions evolve rehabilitation packages for the revival of sick units.

(4) Reserve Bank of India has also issued guidelines separately to the banks indicating parameters within which banks could grant reliefs and concessions for rehabilitation of potentially viable sick units

without reference to RBI both in the large and small scale sector.

(5) Revival of sick industrial units is also done by amalgamation|merger of sick units with healthy units. Tax benefits are given under Section 72(A) of the Income Tax Act, 1961 to the health company for revival of the amalagamating sick unit.

(6) Government has set up the National Renewal Fund which would inter alia, provide for payment of compensation to workers affected by industrial restructuring.

(7) On the advice of the Government of India, Reserve Bank of India has set up State Level Inter-Institutional Committees (SLIICs) in all States under the Chairmanship of Secretary, Industries Department of the concerned State Governments for working out a rehabilitation package for revival of viable sick small scale units.

(8) Financial assistance in the form of long term equity type assistance up to Rs. 1,50,000|- to units with a project cost not exceeding Rs. 10 lakhs at a nominal service charge of one per cent per annum is also available to potentially viable sick small scale industrial units from the National Equity Fund set up in August, 1987.

(9) Small Industries Development Bank of India (SIDBI) has been established to function as an Apex Bank for tiny and small scale industries.

A separate Refinance Scheme for Rehabilitation (RSR) is being managed by SIDBI for revival of potentially viable sick small scale industrial units.

grammes in States

373. SHRI JOYANTA ROY: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government are going to take up infrastructural development programmes for setting up new industries in the States of Haryana, Rajasthan, Gujarat, Karnataka, Jammu and Kashmir, Andhra Pradesh, Maharashtra and Kerala;

(b) if so, the reasons for which the States of Bihar and west Bengal are not included in the said list; and

(c) whether there is any proposal to take up such infrastructural development programmes throughout the country in the near future?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES) (SHRI M. ARUNACHALAM): (a) to (c) Yes, Sir. The Government have launched the scheme of Integrated Infrastructural Development for Small Scale Industries in Rural|Backward areas. The scheme is applicable to all the States in the country. All the State Governments have been asked to send proposals under that scheme. Project proposals received from the States of Haryana, Rajasthan, Gujarat, Karnataka, Jammu and Kashmir, Andhra Pradesh, Maharashtra and Kerala have been approved under the scheme. Viable proposals from the States of Bihar and West Bengal will also be considered by the Government under the scheme.

Undertakings in the country

374. SHRI IQBAL SINGH: Will the PRIME MINISTER be pleased to state:

(a) the details of the public sector undertakings in the country at present, particularly in the State of Punjab;

(b) the details of the loss and profit of each undertakings during each of the last three years; and